

AFFIDAVIT OF THOMAS PALIE
ON BEHALF OF
CONVERSENT COMMUNICATIONS OF MASSACHUSETTS, LLC

Thomas Palie, being duly sworn, deposes and states as follows:

1. My name is Thomas Palie. I am the Credit and Collections Manager for Conversent Communications of Massachusetts, LLC ("Conversent").
2. As Credit and Collections Manager, my primary responsibilities are to collect past due amounts of bills owed to Conversent from carriers and end users.
3. Conversent is a recent market entrant. The company provides a full array of voice, data and internet services to small and medium sized businesses by relying on its own switch, collocated transmission equipment, unbundled loops and dark fiber interoffice transport.
4. Although Conversent has only been in business since the fall of 1999, it has already accumulated over 27,000 business lines in Massachusetts. Although it is certainly not its primary marketing focus, Conversent also terminates some ISP traffic in Massachusetts.
5. Conversent began billing VZ-MA for the termination of local traffic, including internet traffic, in April, 2000⁽¹⁾. Since that time, Conversent has billed VZ-MA approximately One Million Dollars (\$1,000,000) for the termination of local traffic, but it has only been paid about Two Hundred Thousand Dollars (\$200,000). A true and accurate copy of Conversent's bills to VZ-MA for the period between April and December 2000 is attached to this Affidavit as Exhibit 1.

6. Although Conversent has been billing VZ-MA for the full amount of traffic that it terminates, I am aware that the Massachusetts Department of Telecommunications & Energy ("DTE") has entered an Order that accepted VZ-MA's proposal to make payments for reciprocal compensation at a ratio not in excess of 2:1 of terminating to originating traffic.

7. Conversent's lawyers have told me that they do not agree with the DTE's decision, but that it is a final Order and that VZ-MA is only obligated at this time to pay Conversent in accordance with the 2:1 ratio.

8. Unfortunately, VZ-MA has not paid Conversent for reciprocal compensation even under the limiting terms of the DTE's Order. Rather, VZ-MA continually understates Conversent's originating traffic, resulting in underpayments to Conversent for the traffic it terminates. For illustrative purposes only, I have constructed a Table showing Conversent's terminating minutes of traffic; its originating traffic; the amounts billed by Conversent, the amounts paid by VZ-MA; and the amounts due in accordance with the 2:1 ratio for the last three months⁽²⁾:

Month	Min. Terminated by Conversent	Min. Originated by Conversent	\$ Billed by Conversent	\$ Due 2:1	\$ Paid by VZ-MA
Oct-00	8,672,732	4,102,482	\$86,727.32	\$82,049.64	\$36,653.20
Nov-00	11,341,166	5,724,881	\$113,411.66	\$113,411.66	\$44,386.35
Dec-00	10,467,129	5,538,685	\$104,671.29	\$104,671.29	

As you can see from the Table, the traffic between Conversent and VZ-MA meets the 2:1 ratio, yet VZ-MA refuses to make full payment. VZ-MA is underpaying Conversent for reciprocal compensation.

9. In July 2000, I contacted Marianne Antinarella of Verizon about VZ-MA's outstanding bill for reciprocal compensation and was told that she would investigate the matter.

10. On or about August 15, 2000, Conversent received its first payment for reciprocal compensation. At that time, Conversent had billed VZ-MA for over \$600,000.00. Unfortunately, VZ-MA only paid \$21,347.79 of the total amount due. Upon learning this, I immediately asked Ms. Antinarella to explain why Conversent had not been paid in full. She said that Conversent's bill exceeded the 2:1 ratio because the traffic that was originating from Conversent and terminating to VZ-MA was minimal in comparison to the traffic that VZ-MA was sending to Conversent. I told Ms. Antinarella that VZ-MA appeared to be understating Conversent's originating traffic. Ms. Antinarella responded that VZ-MA would conduct a traffic study for the month of September 2000 that would show all of the originating and terminating traffic between Conversent and VZ-MA. If the traffic study showed that the traffic between Conversent and VZ-MA was in a 2:1 ratio (terminating to originating) then VZ-MA would pay Conversent the amount owed.

11. In mid-October, Ms. Antinarella told me that the traffic study had been completed and that it showed enough originating traffic from Conversent for VZ-MA to pay Conversent's September invoice in full. I asked if VZ-MA would also agree to pay all prior bills in full. She responded that VZ-MA would probably want to initiate another traffic study for October and if that study also showed that traffic was in a 2:1 balance then VZ-MA would pay all of our bills in full.

12. On October 27th, I received an email from VZ-MA that contained the actual results of the September traffic study. A true and accurate paper copy of this email is attached as Exhibit 2. Although the columns of data on the email apparently became a little misaligned in the transmission, it shows that traffic in the eastern LATA was in a 2:1 ratio with Conversent terminating 9,852,618 minutes and Verizon terminating 4,974,633 minutes in the eastern LATA. The October 27th email also states that the traffic study for October was underway and that VZ-MA would share those results with Conversent when it was finished. Ms. Antinarella suggested that I follow-up with her during the third week of November.

13. Beginning the third week of November, I repeatedly attempted to contact Ms. Antinarella to ask her for the results of the October traffic study and to request full payment by year-end. Unfortunately, Ms. Antinarella, who had previously responded promptly to all of my telephone calls, never returned my follow-up calls and VZ-MA has refused to provide the results of its October traffic study.

14. When Ms. Antinarella stopped returning my telephone calls, I escalated the matter with her supervisor, Lori Carbone, who in mid-December stated that the October traffic study had been completed and that VZ-MA had concluded that 42% of the traffic that Conversent was terminating was ISP traffic. She conveyed that VZ-MA's position was that it would pay 58% of Conversent's invoice because it pertained to regular voice traffic. She told me, however, that she wanted to run this by VZ-MA's attorneys and would call me on Monday, December 18th.

15. On December 18th, Ms. Carbone told me that VZ-MA would not pay Conversent's bills until we broke down the traffic that we were sending VZ-MA into the percent that was local, intrastate toll, and tandem transit traffic, respectively.

16. I did not understand this because it is my understanding that VZ-MA must have this data in order to properly bill Conversent for reciprocal compensation, access charges and tandem transit service. Further, if some of the traffic contained in VZ-MA's traffic study is intrastate toll traffic, it would actually increase the amount of inter-carrier compensation owed to Conversent, because such traffic would be billed at Conversent's rate for intrastate switched access. This rate is higher than the rate for reciprocal compensation.

Respectfully submitted

/s/

Thomas Palie

Dated: 2/06/01

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1.

¹ Conversent's April invoice included some back billing for traffic it previously terminated.

2.

² The originating and terminating traffic depicted in the Table are taken from Conversent's standard AMA records. These records are provided to New York Access Billing, which is used as a billing agent by both Conversent and VZ-MA.